

Message Text

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INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

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TO SECSTATE WASHDC 7115

INFO AMEMBASSY COLOMBO

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 10284

E.O. 11652: GDS

TAGS: PINT, IN

SUBJECT: DISSIDENCE WITHIN DMK COMES TO A HEAD

SUMMARY: OPPOSITION WITHIN THE DMK TO M. KARUNANIDHI, DMK PRESIDENT AND FORMER TAMIL NADU CHIEF MINISTER, CAME TO A HEAD DURING THE PARTY'S EXECUTIVE COMMITTEE MEETING JULY 3-4. SEVERAL PROMINENT DISSIDENTS WHO PUBLICLY CALLED FOR KARUNANIDHI'S RESIGNATION WERE DISMISSED FROM THE PARTY AND ONE ENDED UP WITH A BLOODY NOSE. THE EXPELLED "REBELS" ARE NOW CALLING FOR A MEETING OF THE DMK GENERAL COUNCIL IN ORDER TO CLEANSE THE PARTY'S IMAGE BY OUSTING KARUNANIDHI AND HIS CORRUPTION-TAINTED COLLEAGUES. THE "DUMP KARUNANIDHI" MOVEMENT SEEMS TO BE GAINING MOMENTUM, AND IF THE GENERAL COUNCIL DOES HOLD A MEETING, KARUNANIDHI MAY BE UNSEATED AS DMK PRESIDENT. IN ADDITION, AS THERE SEEMS LITTLE DOUBT THAT THE GOI WILL "NAIL" HIM ON SEVERAL CHARGES SOONER OR LATER, KARUNANIDHI'S DAYS ARE BECOMING NUMBERED. END SUMMARY.

1. BACKGROUND: SHORTLY AFTER THE DISMISSAL OF THE DMK GOVERNMENT AND THE PROCLAMATION OF PRESIDENT'S RULE IN
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TAMIL NADU ON JANUARY 31, SEVERAL SENIOR DMK LEADERS BEGAN

CALLING FOR THE RESIGNATION OF M. KRUNANIDHI AS PARTY PRESIDENT AND OF HIS CLOSEST ASSOCIATES (FORMER STATE MINISTERS) FROM TOP PARTY POSITIONS IN ORDER TO "PREVENT THE DMK FROM DISINTEGRATING". THEY CLAIMED THAT CHARGES OF CORRUPTION AGAINST THE FORMER GOVERNMENT WOULD TARNISH THE IMAGE OF THE DMK AS A WHOLE AND URGED THE FORMER CHIEF MINISTER AND HIS COLLEAGUES TO VOLUNTARILY STEP DOWN IN THE BEST INTERESTS OF THE PARTY. AS THE SARKARIA COMMISSION AND GOI INCOME TAX AUTHORITIES BEGAN TO UNCOVER INSTANCES OF DMK CORRUPTION WHILE IN OFFICE, THIS PRESSURE ON KARUNANIDHI INCREASED.

2. IN ITS FIRST GATHERING SINCE THE IMPOSITION OF PRESIDENT'S RULE, THE DMK'S EXECUTIVE COMMITTEE CONVENED JULY 3-4 IN XADRAS FOR THE OSTENSIBLE PURPOSE OF DISCUSSING THE SWARAN SINGH COMMISSION'S PROPOSALS FOR CONSTITUTIONAL CHANGE, A PARTY MEMBERSHIP CAMPAIGN AND ORGANIZATIONAL WORK OF THE PARTY. IN FACT, HOWEVER, THE SESSION WITNESSED A SHOW-DOWN BETWEEN KARUNANIDHI AND HIS CRITICS. PRIOR TO THE MEETING, CONGEN MADRAS HAD HEARD THAT AN EFFORT WOULD BE MADE TO UNSEAT THE PARTY PRESIDENT. DESPITE EFFORTS BY KARUNANIDHI TO EXCLUDE HIS OPPONENTS AND THUS "STACK THE DECK" IN HIS FAVOR, SEVERAL DISSIDENTS ATTENDED ANYWAY.

3. ACCORDING TO PRESS REPORTS, K.K. MATHIALAGAN, FORMER SPEAKER IN THE TAMIL NADU LEGISLATURE, ROSE TO CALL FOR KARUNANIDHI'S RESIGNATION AND WAS SUPPORTED BY S.S. RAJENDRAN, A FILM STAR AND FORMER MP. KARUNANIDHI REPORTEDLY THREATENED THEM WITH EXPLUSION FROM THE PARTY AND ORDERED RAJENDRAN OUT OF THE HALL/ OUTSIDE, RAJENDRAN WAS BEATEN UP BY A GANG OF DMK "GOONDAS" AND RECEIVED SOME MINOR INJURIES. HE LATER CLAIMED IN A PRESS CONFERENCE THAT THE ATTACK HAD BEEN INSTIGATED BY KARUNANIDHI.

4. IN THE END, KARUNANIDHI PREVAILED ON THE EXECUTIVE COMMITTEE AND "PERSUADED" DMK GENERAL SECRETARY NEDUNCHEZHIAN ON JULY 6 TO SUSPEND FROM THE PARTY NOT ONLY MATHIALAGAN AND RAJENDRAN, BUT ALSO FORMER TRANSPORT MINISTER S. RAMACHANDRAN (WHO HAD BEEN AMONG THE FIRST TO DEMAND KARUNANIDHI'S RESIGNATION) AND EX-MLC D.V. NARAYANASWAMY.
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5. IN A MADRAS PRESS CONFERENCE JULY 7, RAMACHANDRAN AND MATHIALAGAN CALLED FOR A MEETING OF THE DMK'S GENERAL COUNCIL, THE PARTY'S TOP POLICY-MAKING BODY.
(THE GENERAL COUNCIL HAS A MEMBERSHIP OF 625, OF WHOM 127 ARE STILL UNDER DETENTION, ACCORDING TO A DMK SOURCE.)
THE TWO MEN WERE CONFIDENT THAT IF THE GENERAL COUNCIL WERE CONVENED, KARUNANIDHI AND THE OTHERS FACING CHARGES WOULD BE

THROWN OUT. ONLY IN THIS WAY, RAMACHANDRAN EXPLAINED, COULD THE DMK BE SAVED, SINCE IT WAS NOT THE PARTY THAT WAS ON TRIAL, BUT ONLY KARUNANIDHI AND HIS CLOSE ASSOCIATES.

6. COMMENT: THIS EFFORT BY FOUR SENIOR DISSIDENTS TO CONVENE THE GENERAL COUNCIL INDICATES THAT THE MOVE TO OUST KARUNANIDHI IS GAINING MOMENTUM. HE IS BEING PUSHED FURTHER INTO A CORNER AND HAS LESS ROOM FOR MANEUVER EACH PASSING DAY. THE GROWING LIST OF CORRUPTION CHARGES AGAINST HIM HAVE MADE IT MORE LIKELY THAT HE WILL BE ARRESTED EVENTUALLY, AND THIS UNCERTAINTY ABOUT KARUNANIDHI'S FUTURE HAS MADE MANY PARTY MEMBERS WITHDRAW THEIR SUPPORT FROM HIM. CONGEN MADRAS HAS HEARD THAT A MEETING OF THE GENERAL COUNCIL, IF IT WERE HELD, WOULD PROBABLY GO AGAINST KARUNANIDHI AND FORCE HIS RESIGNATION. FORMER DMK LABOR MINISTER K. RAJARAM, WHO COMMANDS A CONSIDERABLE FOLLOWING IN THE PARTY, WOULD LIKE TO SEE KARUNANIDHI RESIGN IN ORDER TO SAVE THE PARTY FROM GOING DOWN WITH HIM. SO FAR RAJARAM HAS NOT PUBLICLY CALLED FOR RESIGNATION. IF HE SHOULD, HE WOULD PROBABLY TAKE A SIGNIFICANT NUMBER OF THE PARTY WITH HIM AND HASTEN KARUNANIDHI'S FALL. SIMILARLY, DMK GENERAL SECRETARY NEDUNCHEGHIAN IS REPORTED TO BE IN FAVOR OF KARUNANIDHI'S STEPPING DOWN, BUT HE IS NOT LIKELY TO OPPOSE KARUNANIDHI FOR THE TIME BEING. IF HE SHOULD DECIDE TO JOIN RANKS WITH THE DISSIDENTS AT SOME FUTURE TIME, KARUNANIDHI WOULD HAVE ALMOST NO SUPPORTERS OF ANY STANDING LEFT IN THE PARTY.

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7. AS IF HE DID NOT ALREADY HAVE ENOUGH TROUBLE ON HIS HANDS WITH INTERNAL DISSIDENCE, KARUNANIDHI CONTINUES TO FACE PROBLEMS WITH THE GOI: THE SARKARIA COMMISSION CONTINUES ITS INVESTIGATION INTO DMK CORRUPTION, AND GOI INCOME TAX INVESTIGATORS HAVE BEGUN LOOKING INTO THE EXTENSIVE REAL ESTATE HOLDINGS WHICH HE ACQUIRED WHILE IN OFFICE. THERE SEEMS TO BE LITTLE DOUBT AMONG INFORMED CIRCLES IN TAMIL NADU THAT THE GOI WILL EVENTUALLY "NAIL" KARUNANIDHI AND SEVERAL OF HIS EX-MINISTERIAL COLLEAGUES ON A VARIETY OF CHARGES. CONGEN MADRAS HAS LEARNED THAT THE GOI IS STEPPING UP ITS EFFORT TO GATHER EVIDENCE AGAINST KARUNANIDHI. THERE IS EVEN ONE REPORT THAT THE ATTACK ON RAJENDRAN OUTSIDE THE DMK MEETING WAS A PUTUP JOB, PLANNED WITH THE COOPERATION OF TWO OF THE GOTN'S MOST SENIOR OFFICIALS, INSPECTOR GENERAL OF POLICE E.L. STRACEY AND ADVISOR TO THE GOVERNOR P.K. DAVE. THE INTENT WAS FOR RAJENDRAN TO BE SERIOUSLY INJURED BY DMK HOOLIGANS AFTER PROVOKING A CONFRONTATION WITH KARUNANIDHI INSIDE THE HALL. IN THIS WAY, CRIMINAL CHARGES COULD HAVE BEEN BROUGHT AGAINST KARUNANIDHI AND HE COULD HAVE BEEN QUICKLY ARRESTED. RAJENDRAN ENDED UP WITH ONLY A BLOODY NOSE, HOWEVER, AND THE GOVERNMENT CONTINUES TO SEARCH FOR AN EXCUSE FOR KARUNANIDHI'S ARREST ON CRIMINAL--
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RATHER THAN POLITICAL--GROUNDS.

8. IT IS BECOMING CLEAR THAT KARUNANIDHI IS FIGHTING FOR HIS OWN SKIN AT THE EXPENSE OF THE PARTY. MANY OF CONGEN MADRAS' SOURCES NOW FEEL THAT HE WILL BE TAKEN INTO DETENTION IN THE NEAR FUTURE, EITHER IN CONNECTION WITH INCOME TAX EVASION CHARGES OR CHARGES STEMMING OUT OF THE SARKARIA COMMISSION INVESTIGATION. THE NOOSE AROUND HIS NECK APPEARS TO BE TIGHTENING AND HE MAY KEEP HIS HEAD ABOVE WATER FOR AWHILE, BUT HIS DAYS MAY NOW BE NUMBERED.

9. ABOVE MESSAGE IS BASED EXTENSIVELY UPON SEVERAL TELEGRAMS FROM CONGEN MADRAS.
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